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RUEHMO/AMEMBASSY MOSCOW 7745
RHMFISS/COMUSKOREA J5 SEOUL KOR
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RUEKJCS/SECDEF WASHINGTON DC//OSD/ISA/EAP//

C O N F I D E N T I A L SEOUL 004294

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E.O. 12958: DECL: 12/18/2016
TAGS: [PREL](#) [PGOV](#) [MNUC](#) [ECON](#) [KS](#) [KN](#)
SUBJECT: MOU DEPUTY MINISTER UNDERScores AID SUSPENSION

REF: A. SEOUL 4268

[1](#)B. SECSTATE 197902

Classified By: POL M/C Joseph Yun. Reasons 1.4 (b/d)

SUMMARY

[1](#)1. (C) In a follow-up to the Ambassador's discussion with Foreign Minister Song Min-soon on December 14 (ref A), POL M/C met with Deputy Unification Minister Lee Kwan-sei on December 15 and requested the ROKG to establish a stricter inspections regime for North-South cargo moving through the two Transportation Corridors in the DMZ. Lee responded that he would look into the issues raised by ref B points. In general, Lee said, he was frustrated that some USG officials remained skeptical about ROKG actions in the wake of the North Korean missile launches and nuclear test. Lee insisted that ROKG aid and government-to-government projects had come to a full stop. These actions went beyond those called for by the UNSC. The Unification Ministry would dispatch Deputy Unification Minister Hwang Ha-soo to the United States for discussions with USG officials December 18-22 in an effort to better explain ROKG actions. Lee queried us on whether the USG would approve export licenses for a Radio Frequency Identification Device (RFID) system. END SUMMARY.

ROKG PROJECTS WITH DPRK AT "FULL STOP"

[1](#)2. (C) In a December 15 meeting with Deputy Minister of Unification Policy and Public Relations Lee Kwan-sei, POL M/C conveyed ref B points, emphasizing that a stricter inspections regime should be established by the ROKG to implement fully the requirements of UNSCR 1718. These points were discussed between the Ambassador and Foreign Minister Song Min-soon on December 14, Lee was informed (ref A).

[1](#)3. (C) Deputy Minister Lee said he would ask his staff to look into inspections at the two Transportation Corridors in the DMZ. Lee said the he was quite concerned that the USG had only a limited understanding of the actions the ROKG had taken to restrict the flow of goods and services to North Korea. ROKG food and fertilizer assistance had been suspended and all government-to-government projects had come to a "full stop." The ROKG had also cut off subsidies to the Mt. Kumgang tourism project, which was facing harder times these days. Lee estimated that out of a ROK staff of 300 workers, almost 60 had returned to South Korea, in part because of the slower winter season. Seoul had also frozen

ROKG financial incentives supporting the Kaesong Industrial Complex. Moreover, government-backed projects like an agreement to import sand from the Imjin River in North Korea were on hold. Washington, Lee believed, had failed to recognize these actions.

14. (C) Lee said that his colleague, Deputy Minister for Inter-Korean Affairs Hwang Ha-soo, would have meetings December 18-22 with USG officials in New York and Washington, and that he would take this opportunity to clearly and frankly lay out the steps that Seoul had taken. It was important that the visit help explain the facts on the ground as well as Seoul's strategic calculations in its approach to the North.

15. (C) Lee said that Seoul was serious about WMD non-proliferation. He mentioned the ROK's pending export license request for a Radio Frequency Identification Device (RFID) system that, he said, would assist ROK monitoring of cross-border cargo shipments to North Korea. In addition he said he was aware that some in the United States were concerned about whether South Korea would resume food and fertilizer shipments to North Korea. Seoul's position remained that it would not resume this kind of assistance until there was progress in the Six Party Talks. He lamented that in the North's point of view, South Korean humanitarian assistance was unconnected to its nuclear weapons programs. If the South provided humanitarian aid or not, in Lee's view, the North would make its decisions on denuclearization based on what transpired at the Six Party Talks.

16. (C) POL M/C told Lee that Washington was fully aware of ROKG views on RFID. Inter-agency discussions were taking place for the ROKG request for RFID. We expected a decision soon.VERSHBOW